



## PLANT SURVEY, INAUGURATION AND TERMINATION OF SERVICE

### PURPOSE

The purpose of this procedure is to provide Quality Assessment Division (QAD) policies and procedures regarding plant surveys, inauguration and termination of services.

### SCOPE

The provisions of this procedure apply to all QAD facilities utilizing grading services.

### REFERENCES

The following referenced documents are used for the application of this document. The latest edition of the referenced document (including any amendments) applies.

[Application for Service \(LPS-109\)](#)

[Work Schedule Request \(LPS-110\)](#)

[QAD 100 Procedure: QAD Application for Service](#)

[QAD 101 Procedure: Work Schedule Request](#)

[QAD 103A Form: Plant Survey For Poultry Grading](#)

[QAD 103B Form: Plant Survey For Shell Egg Grading](#)

[QAD 103C Form: Plant Survey For Meat Grading](#)

[QAD 108D Exhibit: Public Law 272](#)

QAD 1701 Procedure: *Safety and Health Program*

QAD 1702 Form: *QAD Safety Inspection Worksheet*

[FSIS Directive 8010.1, Methodology for Conducting In-Commerce Surveillance Activities](#)

### POLICY

Livestock, Poultry, and Seed (LPS) Program Mission Statement: To provide timely, high-quality, unbiased service that facilitates orderly marketing and distribution of agricultural commodities, and fosters goodwill in the global marketplace.

### INAUGURATION OF SERVICE

The following forms must be completed and approved prior to implementing QAD grading services in commitment/resident and non-commitment/temporary plants:



1. [Application for Service \(LPS-109\)](#)
2. [Work Schedule Request \(LPS-110\)](#) – commitment/resident plants only
3. [QAD 103A Form: Plant Survey for Poultry Grading](#) OR  
[QAD 103B Form: Plant Survey for Shell Egg Grading](#) OR  
[QAD 103C Form: Plant Survey for Meat Grading](#)
4. QAD 1702 Form: *QAD Safety Inspection Worksheet*
5. Water potability and iron content analysis for shell egg plants only (See shell egg grader instructions for requirements.)

Surveys, safety inspections, and water analysis reports will be maintained by the respective Regional and/or supervisor's office.

## GENERAL REQUIREMENTS

A plant survey will be performed to determine the acceptability of all facilities. Office space, file cabinet(s) with an approved locking device, internet, telephone, grading stamps, thermometers, scale, test weights, and other equipment as applicable, such as a cart to transport samples, must be available before service is initiated.

All processing, grading, packing, and labeling of products officially identified with the grademark must be completed under the supervision of a USDA, QAD agent. By regulation, meat, poultry, and shell eggs which are officially identified with a grademark must be graded by a licensed grader or by authorized plant employees with subsequent sample grading by a licensed grader. Training of authorized graders must be completed before they are utilized to grade officially identified product. Plant management must provide the grader or supervisor a letter certifying that all personnel performing authorized grading activities have received adequate training and understand the duties and responsibilities associated with these activities as outlined in the applicable grader's instructions and regulation. The certification is to be placed in the grader's file as designated in the respective instruction.

When automated shell egg grading equipment is used in lieu of authorized graders as discussed above, plant management must submit to the grader or Federal-State supervisor the required documentation as outlined in the applicable instructions prior to official certification of product.

## PROCEDURES

When an *Application for Service* (LPS-109) has been received, the supervisor or designee shall perform a survey of plant and grading facilities, conduct a safety inspection, and obtain a satisfactory water analysis report, if applicable. Supervisors are to charge applicants for time and expenses necessary to perform the initial plant survey, safety inspection and any subsequent surveys needed to gain final approval prior to inauguration of service. Time and expenses will be charged accordingly at the applicable fee rate. Travel expenses including lodging and mileage will be charged according to the applicable per diem and mileage rates.



An official plant number will be issued to applicable applicants by the Business Operations Branch prior to initiating service. Products may not be officially graded or certified until all plant facility and grading station requirements are met, and final approval is received from the Regional Director or designee. Following final approval, official grading stations or grading areas are not to be changed without prior concurrence from the supervisor.

A re-survey must be performed when changes are made to the facility and/or the processing operation that affects grading and certification functions. Additional items that require a re-survey include, but are not limited to:

- Replacement of egg grading machine(s) or other processing equipment. (It is not necessary to perform a re-survey if only portions of an existing machine are replaced or added; e.g., check detectors, packerheads, automated loaders or stackers)
- Relocation of structural walls, rest rooms, conveyor systems or chemical storage
- Replacement of water supply systems (new well, conversion to municipal utilities, installation of permanent chlorinators, etc.)
- Physical deterioration of the facility or plant premises such that it may no longer meet acceptable survey criteria
- Installation or renovation of lighting systems throughout the facility
- Evidence of rodent or pest infestation
- Repair of damage to structural systems (roof, wall, etc.) of the processing plant or premises (coolers, loading docks, etc.).
- Significant modification of drainage and sewer systems in the processing area(s) of the plant

Upon concurrence from the Regional Director, the supervisor or designee may perform a re-survey to assess compliance with program requirements. Commitment and Resident plants with current contracts are not to be charged for re-surveys, provided there is no change in type of service provided.

When a plant with full or part-time resident/commitment service converts to temporary/non-commitment plant status, no additional survey is required. Likewise, when a temporary/non-commitment plant converts to full or part-time service, no additional survey is required.

Surveys, safety inspections, and water analysis reports will be maintained by the respective Regional and/or supervisor's office.

## **DELAYS IN INAUGURATING SERVICE**

When there is an undue delay inaugurating service (more than 6 months), the supervisor shall notify the applicant by letter at least 30 days before the 6 month period has expired stating that the application will be void at the end of 6 months due to inaction on their part. If the plant gives a valid reason in writing for not starting service, the supervisor may extend the time. If service still has not been inaugurated at the end of the extended time, the supervisor shall notify the applicant by letter that the application will be void at the end of the extension period due to inaction on their part. Whenever an application is voided, the Regional office and the Business Operations Branch will be advised.



## **PUBLIC LAW 272**

At the time surveys are made, supervisors are to provide a copy of Public Law 272 (QAD 108D Exhibit), to each applicant and review the requirements of the law and the penalties for failure to comply.

## **LABELING**

All packaging materials bearing official grademarks must be approved through normal channels. At the time surveys are made, supervisors are to discuss with plant management the use and approval process for all labeling material bearing official identification that the company intends to use.

For shell egg plants, this discussion should also include a review of AMS and the Food Safety Inspection Service (FSIS) policies pertaining to the application of lot and expiration coding; and product handling requirements for officially identified shell egg cartons. [FSIS Directive 8010.1, Methodology for Conducting In-Commerce Surveillance Activities](#) shall be used as a reference regarding labeling requirements for refrigeration.

Only eggs processed in a plant with a current USDA Shell Egg grading contract (Resident or Temporary) may use an official plant number preceded by the letter "P" on packaging materials.

## **REPLACEMENT APPLICATIONS**

Replacement applications are to be completed and submitted when a change of name and/or ownership, address, plant number, or type of service has occurred. There shall be no charge for a replacement type application unless a new survey is needed due to a change in the type of service provided. For changes in ownership, the replacement application should be dated by the applicant on the day the billing to the new owner is to be effective. Complete Form LPS-109 and submit the form with a cover memorandum/email explaining the change through the Regional Office to the Business Operations Branch:

USDA, AMS, LPS, QAD, Business Operations Branch  
10809 Executive Center Drive, Suite 318  
Little Rock, AR 72211  
Phone: 501-312-2962  
Fax: 1-844-345-3575  
Email: [QAD.BusinessOps@ams.usda.gov](mailto:QAD.BusinessOps@ams.usda.gov)

When applicable, a new LPS-110 shall be completed showing a related statement, such as "Name Change Only" and submitted to the Business Operations Branch.

## **TEMPORARY/NON-COMMITMENT PLANTS**

Temporary/non-commitment plants are to be billed for all hours worked by QAD agents and for all travel time and expenses incurred in providing QAD services.

At the discretion of the supervisor, Form 240 *Grading Volume Report* shall be prepared either daily or weekly to capture the volume of product graded or certified, including both accepted and rejected product. Volume is to be reported using the categories and types as defined in the applicable sections of each product instructions.



Maintenance of grader's files are at the discretion of the supervisor depending on the amount of grading service provided, the type of grading and certifications provided, and the specific needs of QAD agents involved.

When grading service is not used (including the official grading and identification of shell eggs, not quality control work) at a temporary/non-commitment plant for a period of 6 months, plant management is to be contacted concerning their expected future use of the service. Should they anticipate no future use of the grading service, the supervisor should recommend that management cancel the service immediately. The Regional Director is to be notified in writing whenever a plant requests termination of temporary/non-commitment grading service. If the plant subsequently fails to request termination and does not use grading service for an additional 3 months (9 months total), the supervisor will notify the Regional Director and request termination of service.

### **SPECIFIC REQUIREMENTS, TEMPORARY SHELL EGG PLANTS**

After temporary grading service is inaugurated, it is management's responsibility to assure that facilities and operating procedures are maintained as approved. It is the Federal-State supervisor's and grader's responsibility to determine that the plant is maintaining the facilities and operating according to the provisions of the regulations. The following guidelines are being provided to assure this requirement:

1. Water analysis reports are to be kept current according to the procedures outlined in the Shell Egg graders instructions. Travel time and expenses incurred shall be billed if it is necessary for a QAD agent to visit the temporary plant for the sole purpose of sampling water.
2. Pre-operational inspections of temporary shell egg plants are to be conducted each scheduled day of official grading regardless of the type of grading performed. Graders are to use Form LPS-74, *Pre-Operative Shell Egg Plant Sanitation Report* to determine compliance with sanitation requirements. Grading service is to be scheduled so that the pre-operational inspection can be conducted prior to startup of operations. If scheduling cannot be adjusted accordingly, the plant may opt to proceed with processing and, prior to or upon the graders arrival, cease processing, change the wash water, and complete a thorough cleaning of all items listed in Section 1 of the *Pre-operative Shell Egg Plant Sanitation Report*. After cleaning, the grader will conduct a pre-operative inspection and determine if the equipment meets sanitation requirements.
3. If temporary grading service is not utilized for more than 30 days, the following guidelines apply and are to remain in effect during these periods of inactivity.
  - a. Federal-State supervisors or their designee are to conduct unannounced re-surveys to assure that the requirements for official plant status are maintained. This re-survey will include a pre-operational inspection of equipment; facilities, and premises documented on Form LPS-74. Additionally, supervisors are to conduct a review of operating procedures (i.e., wash water temperature, sanitizing spray concentration cooler temperature, etc.).
  - b. The re-surveys are to continue on a monthly basis until a satisfactory history of compliance is established. A satisfactory history of compliance is when no critical or no more than two-non-critical sanitation operating deficiencies are noted on the LPS-74 and all facility requirements are satisfactory for two consecutive re-surveys. Once a satisfactory history is established, the frequency of the re-surveys shall be reduced to quarterly.



c. The criteria listed on QAD 103B Form: *Plant Survey for Shell Egg Grading* and the LPS-74 will be used to assess a plant's compliance with program requirements. In the remarks section, clearly indicate that the survey is a temporary plant re-survey by stating, "This is a re-survey to verify facility and operational requirements for temporary grading service." Each item on QAD 103B Form must be marked "Yes," indicating satisfactory compliance. Additionally, all critical items on the LPS-74 must be satisfactory and no more than two non-critical areas found unsatisfactory prior to official grade identification of product. When sanitation or facilities are found unsatisfactory, the deficiencies and the corrective action taken are to be documented in the remarks section. When corrective action is not completed during the visit, time frames and follow-up surveys are to be scheduled accordingly.

d. Grading service will be refused and temporary status may be terminated whenever management fails to bring plant facilities, sanitation, and operating procedures into compliance within a reasonable period of time. When a plant fails three consecutive re-surveys, the Regional Director is to be notified. The Regional Director will provide plant management a written notice concerning the noncompliances and alerting them that temporary plant status may be terminated unless corrections are made. The written notice is to include established time frames for correcting facility and/or sanitation noncompliances. When facility noncompliances and/or sanitation deficiencies warrant termination, the Regional Director is to provide written notice, along with copies of supporting documents, requesting that temporary grading service be terminated to the Chief, Business Operations Branch. If temporary status is terminated, the plant may reapply for service when noncompliances have been corrected and a satisfactory survey has been completed.

## **STATE TRUST FUND APPLICATIONS AND SURVEYS- RESIDENT AND TEMPORARY**

Form LPS-109, *Application for Service* or a corresponding State application form is to be prepared and forwarded to the Regional office through the Federal-State office. The time involved for completing the plant surveys or re-surveys will be charged at the applicable fee rate. When the survey is performed by a State supervisor, travel expenses including lodging and mileage will be charged according to the applicable State per diem and mileage rates. The supervisor is to report the time and expenses on Form PY -101 (Work Report) and Form PY -101 E respectively, or approved equivalent State form.

## **INACTIVE RESIDENT/COMMITMENT PLANTS**

Resident/Commitment plants that are inactive remain contractually bound to pay applicable administrative service charges and grader costs if the grader is not reassigned, otherwise utilized, or in leave status. Before renewing active plant status, a re-survey will be necessary to assure that the plant is in compliance with program requirements. If changes are made to the facility, a re-survey must be completed prior to renewing active plant status. If no changes are made to the facility prior to renewing active status, a re-survey may be made on the next supervisory visit to that location. There will be no charge for this re-survey since administrative charges are being paid by the applicant.

## **SEASONAL PLANT OPERATIONS**

When a plant anticipates being inactive for a period of time and requests the removal of the grader, the following requirements are applicable:



A. Thirty days prior to the anticipated removal date, plant management is to write the supervisor requesting that the grader be removed for a stated period of time, due to plant inactivity.

B. Plant management must agree that any grading work performed during the period in which the grader is removed will be on a fee basis with time and expenses charged to the plant.

C. Plant management must agree that, for each accounting period in which there is no resident service activity, the plant will continue to pay the minimum administrative charge.

## **TERMINATION OF SERVICES**

See also QAD 100 Procedure: *Application for Service*.

Termination requests should be forwarded through the respective Regional office to the Business Operations Branch.

Upon termination of services, the supervisor shall retrieve all USDA files and associated property for file retention and disposition. Plant management shall be made aware of their responsibilities regarding the use of labeling materials identified with the USDA grademark.

Supervisors will clearly explain to facility management that the use of the federally issued "P" number may no longer be used on package and packing material. Special approval must be granted by the Division Director to utilize pre-printed label material bearing the "P" number after services have been terminated.

## **CHANGE OF RECORD**

This is a new procedure for QAD; merging meat and poultry policies and procedures, updating, and relocating information contained in the Poultry General Index.

## **SUPERSEDES**

General Index R - 2: Policy Regarding Applications, Surveys, Inauguration, and Terminations of Services

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